

Evaluation of Internal Controls – A General Framework and System of Reporting

The Management and Budget Act (Sections 18.1483 – 18.1489 of the *Michigan Compiled Laws*) requires that the head of each principal department shall establish and maintain an internal accounting and administrative control system (i.e. internal control structure). The Act also requires that the head of each principal department shall report biennially on any material inadequacy or weakness discovered in connection with the evaluation of their system. Finally, the State Budget Director must develop **a general framework** and **system of reporting** for use by the principal departments in performing and reporting upon evaluations of their internal control system.